

REMARKS

Applicant respectfully requests reconsideration of the instant application in view of the following remarks. Claims 1-75 are currently pending in the application.

Applicant thank the Examiner for indication that claims 17-19 include allowable subject matter and that claims 62-67 and 69-75 are in condition for allowance.

Rejections Under 35 U.S.C. § 101

Claims 1-16, 20-61 and 68 have been rejected under 35 U.S.C. § 101, as allegedly being directed to non-statutory subject matter.

The Examiner alleges that:

[1] In the present case, the claims 20, 40, 59 [and] 68, directed to a computer readable medium encoded with processing instructions, are seen to be code per-se as they do not appear to be executable and therefore, are not useful. [and]

[2] In the present case, the claims 1-16, 20-61, directed to method, mediums and system are not seen to produce a result that is tangible. (See, Office Action, Page 3, ¶ 3-4).

Applicant submits that the Examiner has not established a *prima facie* case that the claims are directed to non-statutory subject matter. More specifically, according to the MPEP §2107.02(IV) "To properly reject a claimed invention under 35 U.S.C. § 101, the Office must (A) make a *prima facie* showing that the claimed invention lacks utility, and (B) provide a sufficient evidentiary basis for factual assumptions relied upon in establishing the *prima facie* showing." (See, *In re Gaubert*, 524, F.2d 1222, 1224, 187 USPQ 664, 666 (CCPA 1975). Applicant submits that the Examiner's conclusionary statements ([1] and [2]) quoted above do not establish either of these requirements and therefore fail to establish a viable § 101 rejection.

I. Claims 20, 40, 59, and 68 are Directed to Statutory Subject Matter Under 35**U.S.C. § 101**

Applicant notes that the claims 20, 40, 59, and 68, are drafted as 'computer medium claims.' The patent office has established that computer medium claims are in fact considered statutory subject matter (*See, In re Gary M. Beauregard, et al.*, 53 F.3d 1583, 35 U.S.P.Q.2D (BNA) 1383). The question in *Beauregard* was whether computer programs could be excluded from statutory subject matter based on the printed matter doctrine. *Id.* However, the Commissioner of Patents determined that a computer medium storing code per-se or printed matter, is, itself, a tangible medium and considered statutory subject matter.

More specifically, *Beauregard* establishes that "[t]he Commissioner now states 'that computer programs embodied in a tangible medium, such as floppy diskettes [or any other type of computer medium] are patentable subject matter under 35 U.S.C. § 101 and must be examined under 35 U.S.C. §§ 102 and 103.' *Id.* Accordingly, Applicant submits that the pending computer medium claims (claims 20, 40, 59 and 68) are statutory subject matter within the scope of § 101 and are not excluded as code per-se or the printed matter doctrine that was addressed in *Beauregard*.

II. Claims 1-16, 20-61 are Directed to Statutory Subject Matter Under 35 U.S.C. § 101

Applicant submits that claims 1-16, 20-61 are directed to a 'tangible' product within 35 U.S.C. § 101. The MPEP instructs this determination is based on whether the claimed subject matter is 'tangible' statutory subject matter under 35 U.S.C. § 101 or is 'abstract' and would not qualify as statutory subject matter under 35 U.S.C. § 101. (*See, MPEP § 2106(IV)(C)(2)(b)*).

The Supreme Court discusses how the 'tangible' analysis is to be conducted (*See, Diehr*, 450 U.S. at 182). More specifically, the Supreme Court in *Diehr* recognized that only "laws of nature, natural phenomenon, and abstract ideas" are excluded from patentability under section 101 (*See, Id.*, at 185). The Court explained the rationale behind the narrow limitation:

" [A] new mineral discovered in the earth or a new plant found in the wild is not patentable subject matter. Likewise, Einstein could not patent his celebrated law that $E=mc^2$ nor could Newton have patented the law of gravity. Such discoveries are manifestations of ...nature, free to all men and reserved exclusively to none."

Id. (quoting *Chakrabarty*, 447 U.S. at 309).

The Supreme Court elaborates on this statement recognizing that a mathematical formula may describe a law of nature, a scientific truth, or an abstract idea. Importantly, the Supreme Court also recognized that mathematics may be used to describe steps of a statutory method or elements of a statutory apparatus. *Id.* at 188; *see also Arrhythmia Research Technology, Inc. v. Corazonix Corp.*, 958 F.2d 1053, 1056 (Fed. Cir. 1993). The crucial distinction is whether the mathematical formula is being claimed in the abstract or is being applied in the claim, when viewed as a whole, to create an invention of the type set forth in 35 U.S.C. § 101. *Diehr*, 450 U.S. at 192; *see also In re Alappat*, 33 F. 3d 1526, 1543 (Fed. Cir. 1994) (en banc), *Arrhythmia*, 958 F.2d at 1057 (quoting *In re Meyer*, 688 F.2d 789, 795 (CCPA 1982)). Applicant submits that the subject matter recited claims 1-16, 20-61 generally directed to determining an optimized performance for a buyer-driven commerce system qualify as statutory subject matter under 35 U.S.C. § 101.

Conclusion

Applicant submits that one cannot equate the methods, systems and apparatuses recited in these claims with attempting to patent Einstein's a law of general relativity, a law of nature or a natural phenomenon in the abstract. Applicant submits the determination of optimized performance in the claims at issue recite a variety of elements used to solve a particular problem in a tangible, concrete and useful manner. Accordingly, Applicant submits that claims 1-16, 20-61 and 68 recite statutory subject matter for at least the reasons discussed above. Therefore, Applicant requests withdrawal of these grounds of rejection.

Moreover, Applicant respectfully submits that each of the pending claims are in condition for allowance. Examiner is invited to contact Applicant's undersigned representative to discuss any issues which may advance the prosecution of the instant application.

AUTHORIZATION

The Commissioner is hereby authorized to charge any additional fees which may be required for consideration of this Amendment to Deposit Account No. 03-1240, Order No. 17200-091US1. In the event that an additional extension of time is required, or which may be required in addition to that requested in a petition for an extension of time, the Commissioner is requested to grant a petition for that extension of time which is required to make this response timely and is hereby authorized to charge any fee for such an extension of time or credit any overpayment for an extension of time to Deposit Account No. 03-1240, Order No. 17200-091US1.

Respectfully Submitted,
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